MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD

FINANCIAL STATEMENTS

For the Year Ended December 31, 2003

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
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March 30, 2004

The Honourable L. Taylor
Minister of Government Relations
Room 315, Legislative Building
REGINA, Saskatchewan
S4S 0B3

Dear Sir:

Re: Municipal Potash Tax Sharing Administration Board
Financial Statements

We enclose the financial statements of the Municipal Potash Tax Sharing Administration Board for the year ended December 31, 2003 and our report on these financial statements.

Yours truly,

Fred Wendel, CMA, CA
Provincial Auditor

/ce
Enclosure

cc: The Honourable H. Van Mulligen, Chair, Treasury Board
Mr. R. Styles, Secretary, Treasury Board
Mr. T. Paton, Provincial Comptroller, Department of Finance
Mr. N. Hardy, Chair, Municipal Potash Tax Sharing Administration Board
Mr. K. Engel, Secretary/Treasurer, Municipal Potash Tax Sharing Administration Board

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AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Municipal Potash Tax Sharing Administration Board as at December 31, 2003 and the statement of revenue, expenditures and net financial assets for the year then ended. The Board is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Municipal Potash Tax Sharing Administration Board as at December 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
March 4, 2004

Fred Wendel, CMA, CA
Provincial Auditor

Municipal Potash Tax Sharing Administration Board
Statement of Financial Position
As at December 31

	2003	2002
Financial Assets		
Current Assets:		
Cash	$15,375	$18,449
Net Financial Assets - (Statement 2)	$15,375	$18,449

(See accompanying notes to the financial statements)

Statement 2

Municipal Potash Tax Sharing Administration Board
Statement of Revenue, Expenditures and Net Financial Assets
For the Year Ended December 31

			2003	2002
Revenue:				
Municipal taxes received from rural municipalities (Note 5)			$6,231,108	$5,909,515
Less: Tax sharing distributions (Schedule 1)				
Areas of Influence	Rural	Urban		
Saskatoon Lanigan	$3,229,312	$358,812	3,588,124	3,421,859
Esterhazy	2,030,820	225,646	2,256,466	2,116,979
Pense	339,455	37,717	377,172	361,813
	$5,599,587	$622,175	6,221,762	5,900,651
Revenue held for general administration (Note 4)			9,346	8,864
Expenditures:				
Office facilities - Saskatchewan Association of Rural Municipalities			6,000	6,000
Secretary-Treasurer's Honorarium			4,375	3,950
Board members' allowances:				
Per diem			775	700
Mileage			865	505
Sustenance			253	248
Insurance			150	150
Bank Charges			2	1
			12,420	11,554
(Deficit) for the year			(3,074)	(2,690)
Net financial assets, beginning of year			18,449	21,139
Net financial assets, end of year - to Statement 1			$15,375	$18,449

(See accompanying notes to the financial statements)

Municipal Potash Tax Sharing Administration Board

Schedule of Tax Sharing Distributions Made to Municipalities
For the Year Ended December 31

		Budget 2003	Actual 2003	Actual 2002
Saskatoon/Lanigan Area				
Rural Municipalities				
279	Mount Hope	596	596	569
280	Wreford	25,122	25,121	23,965
281	Wood Creek	2,482	2,482	2,365
283	Rosedale	1,241	1,242	1,185
309	Prairie Rose	58,199	58,199	55,509
310	Usborne	279,135	279,134	265,956
312	Morris	182,767	182,766	174,235
313	Lost River	122,186	122,186	116,463
314	Dundurn	120,492	120,492	115,218
315	Montrose	115,317	115,317	110,133
316	Harris	25,853	25,853	24,689
339	Leroy	36,719	36,719	34,996
340	Wolverine	227,112	227,111	216,605
341	Viscount	226,329	226,328	215,790
342	Colonsay	254,167	254,166	242,357
343	Blucher	352,332	352,331	336,557
344	Corman Park	455,698	455,697	433,956
345	Vanscoy	448,389	448,388	427,548
346	Perdue	98,635	98,635	94,182
371	Bayne	24,928	24,928	23,770
372	Grant	49,316	49,316	47,112
373	Aberdeen	105,884	105,884	100,853
376	Eagle Creek	16,421	16,421	15,660
		3,229,320	3,229,312	3,079,673
Urban Municipalities				
Town of Aberdeen		7,028	7,028	6,700
Town of Allan		35,745	35,746	34,078
Town of Asquith		7,554	7,554	7,202
Village of Bradwell		8,212	8,213	7,829
Village of Clavet		18,793	18,794	17,917
Town of Colonsay		22,426	22,427	21,481
Town of Dalmeny		17,175	17,175	16,374
Town of Delisle		46,536	46,538	44,367
Village of Drake		3,264	3,264	3,112
Village of Elstow		5,106	5,107	4,868
Village of Guernsey		5,685	5,686	5,420
Village of Kinley		526	526	502
Town of Langham		14,121	14,122	13,463
Town of Lanigan		60,250	60,252	57,441

Municipal Potash Tax Sharing Administration Board

Schedule of Tax Sharing Distributions Made to Municipalities
For the Year Ended December 31

	Budget 2003	Actual 2003	Actual 2002
Saskatoon/Lanigan Area			
Urban Municipalities			
RM of Usborne #310	329	314	314
Town of Martensville	16,609	16,609	15,835
Village of Meacham	1,184	1,185	1,129
Village of Perdue	4,896	4,896	4,668
Village of Plunkett	987	987	941
Village of Vanscoy	18,162	18,162	17,315
Village of Viscount	14,319	14,319	13,651
Town of Vonda	4,238	4,238	4,040
Town of Warman	20,807	20,808	19,837
Town of Watrous	18,820	18,821	17,942
Village of Young	3,935	3,935	3,752
Village of Zelma	2,106	2,106	2,008
	358,813	358,812	342,186
	3,588,133	3,588,124	3,421,859
Esterhazy Area			
Rural Municipalities			
121 Moosomin	55,823	55,823	56,239
122 Martin	17,389	17,389	15,687
151 Rocanville	386,116	386,116	369,527
152 Spy Hill	552,315	552,317	547,670
153 Willowdale	45,057	45,057	45,383
181 Langenburg	429,382	429,383	332,994
183 Fertile Belt	339,061	339,062	333,598
211 Churchbridge	118,270	118,270	117,238
213 Saltcoats	87,403	87,403	86,945
	2,030,816	2,030,820	1,905,281
Urban Municipalities			
Village of Atwater	435	435	408
Village of Bangor	696	696	653
Town of Bredenbury	5,133	5,133	4,816
Town of Churchbridge	11,543	11,543	10,829
Town of Esterhazy	97,097	97,097	91,095
Village of Gerald	9,222	9,222	8,653
Town of Langenburg	15,284	15,284	14,339
Town of Rocanville	51,449	51,449	48,268

Municipal Potash Tax Sharing Administration Board

Schedule of Tax Sharing Distributions Made to Municipalities
For the Year Ended December 31

	Budget 2003	Actual 2003	Actual 2002
Esterhazy Area			
Urban Municipalities			
Village of Spy Hill	12,355	12,355	11,591
Village of Stockholm	4,394	4,394	4,122
Village of Tantallon	6,380	6,380	5,986
Village of Welwyn	6,264	6,264	5,877
Village of Yarbo	5,394	5,394	5,061
	225,646	225,646	211,698
	2,256,462	2,256,466	2,116,979
Pense Area			
Rural Municipalities			
129 Bratt's Lake	2,077	2,077	1,992
130 Redburn	40,697	40,697	39,040
131 Baildon	14,932	14,932	14,324
159 Sherwood	30,222	30,222	28,991
160 Pense	144,434	144,434	138,552
161 Moose Jaw	73,765	73,765	70,762
189 Lumsden	8,295	8,295	7,957
190 Dufferin	17,680	17,680	16,960
191 Marquis	7,353	7,353	7,054
	339,455	339,455	325,632
Urban Municipalities			
Village of Belle Plaine	2,816	2,816	2,702
Village of Bethune	3,822	3,822	3,667
Village of Briercrest	1,137	1,137	1,090
Village of Disley	624	624	598
Village of Drinkwater	3,218	3,218	3,087
Village of Grand Coulee	3,681	3,681	3,531
Village of Pense	21,443	21,443	20,570
Village of Tuxford	976	976	936
	37,717	37,717	36,181
	377,172	377,172	361,813
Total tax sharing - to Statement 2	6,221,767	6,221,762	5,900,651

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2003

1. Authority

The Municipal Potash Tax Sharing Administration Board was established under Section 3 of *The Municipal Tax Sharing (Potash) Act* (Act). Under provisions of the Act, taxes levied by rural municipalities on potash mines are remitted to the Board. The Board administers the tax sharing program established under the Act. Disbursements to municipalities, located within the areas of influence of a potash development, are made on the basis of formulae prescribed in regulations to the Act.

2. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles.

3. Cash Flow Statement

A cash flow statement has not been provided since cash flow information is readily apparent from the other financial statements.

4. Administration Costs

The regulations permit the Board to withhold up to 0.5% of taxes received, to a maximum of $25,000, for the general administration of the Board. During the year, the Board withheld 0.15% of taxes received totalling $9,346.

5. Municipal Taxes Received From Rural Municipalities

Municipality	RM#	Budget 2003	Actual 2003	Actual 2002
Rocanville	151	$ 775,729	$ 775,732	$ 707,662
Spy Hill	152	726,179	726,182	683,568
Pense	160	377,738	377,738	362,357
Langenburg	181	757,943	757,943	728,928
Usborne	310	1,031,332	1,031,328	1,006,454
Colonsay	342	612,633	612,631	577,826
Blucher	343	631,195	631,193	549,808
Corman Park	344	547,380	547,379	555,476
Vanscoy	345	770,984	770,982	737,436
		$ 6,231,113	$ 6,231,108	$ 5,909,515

6. Budget

The budgeted amounts disclosed in these statements are those approved by the Municipal Potash Tax Sharing Administration Board.